

**Malabar Resources Limited**  
**Shareholder Presentation**  
18 November 2021

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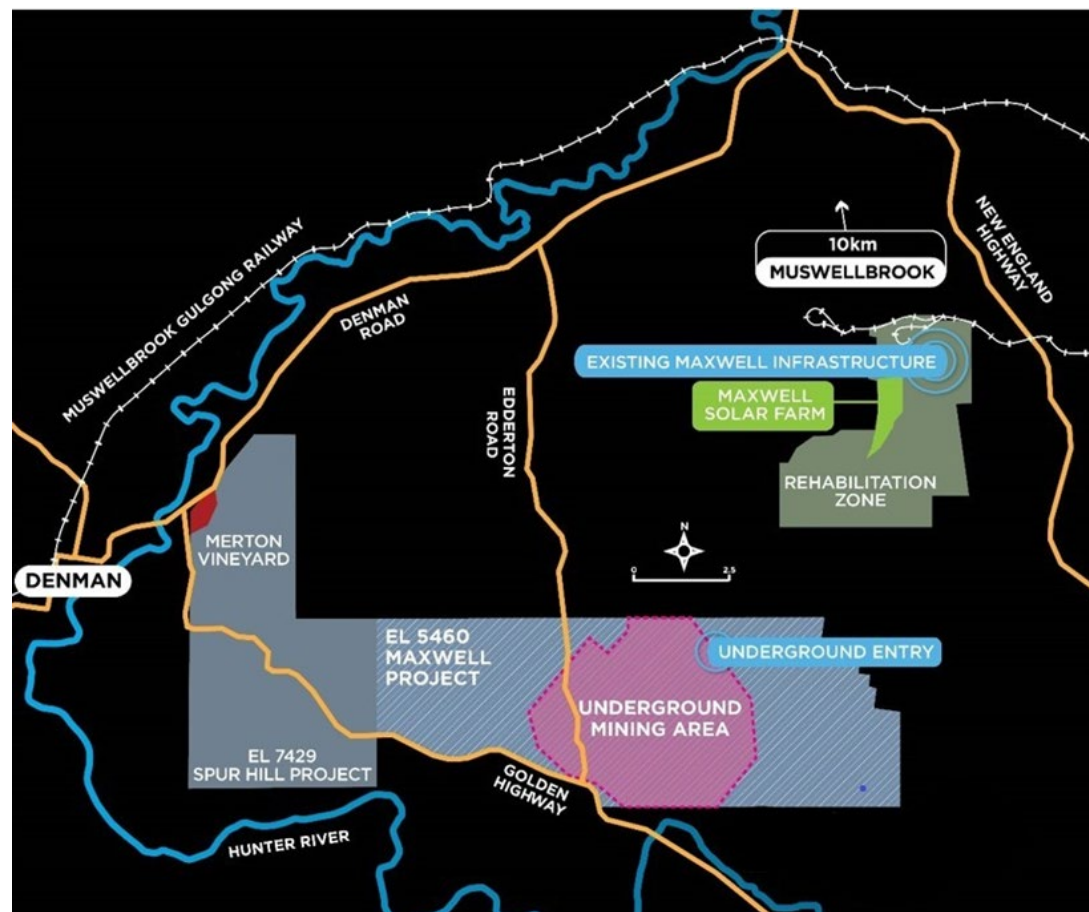
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# Overview

# Our assets

- The **Maxwell Underground Mine**, our flagship asset, is a shovel-ready, fully-approved brownfield development for an underground metallurgical coal mine, utilising substantial existing surface infrastructure;
- **Spur Hill underground metallurgical exploration project** (EL 7429);
- **Antiene Rail Spur** which connects our Maxwell Mine and the neighbouring mine to the main rail track to the Newcastle Port, generating wayleave income;
- **20% shareholding in Newcastle Coal Shippers**, which in turn owns 37% of PWCS, providing a ~7.4% indirect stake in PWCS;
- The **25MW approved Stage 1 Maxwell Solar Farm**, with the ability to substantially increase large-scale solar generation and battery storage to a strategically important electrical transmission hub; and
- **Agricultural assets**, including the Merton Vineyard.
- To view a video of Maxwell Infrastructure and Maxwell Underground Mine refer to Malabar’s website.



Maxwell & Spur Hill Coal Resources

	Measured and Indicated	Inferred	Total
EL 5460 (Maxwell)	670Mt	100Mt	770Mt
EL 7429 (Spur Hill)	394Mt	232Mt	626Mt
<b>Total</b>	<b>1,034Mt</b>	<b>332Mt</b>	<b>1,396Mt</b>

# Strategy and H&S

## Our Strategy

Malabar recognises the need to transition to a low carbon economy which is why we have developed a unique strategy by:

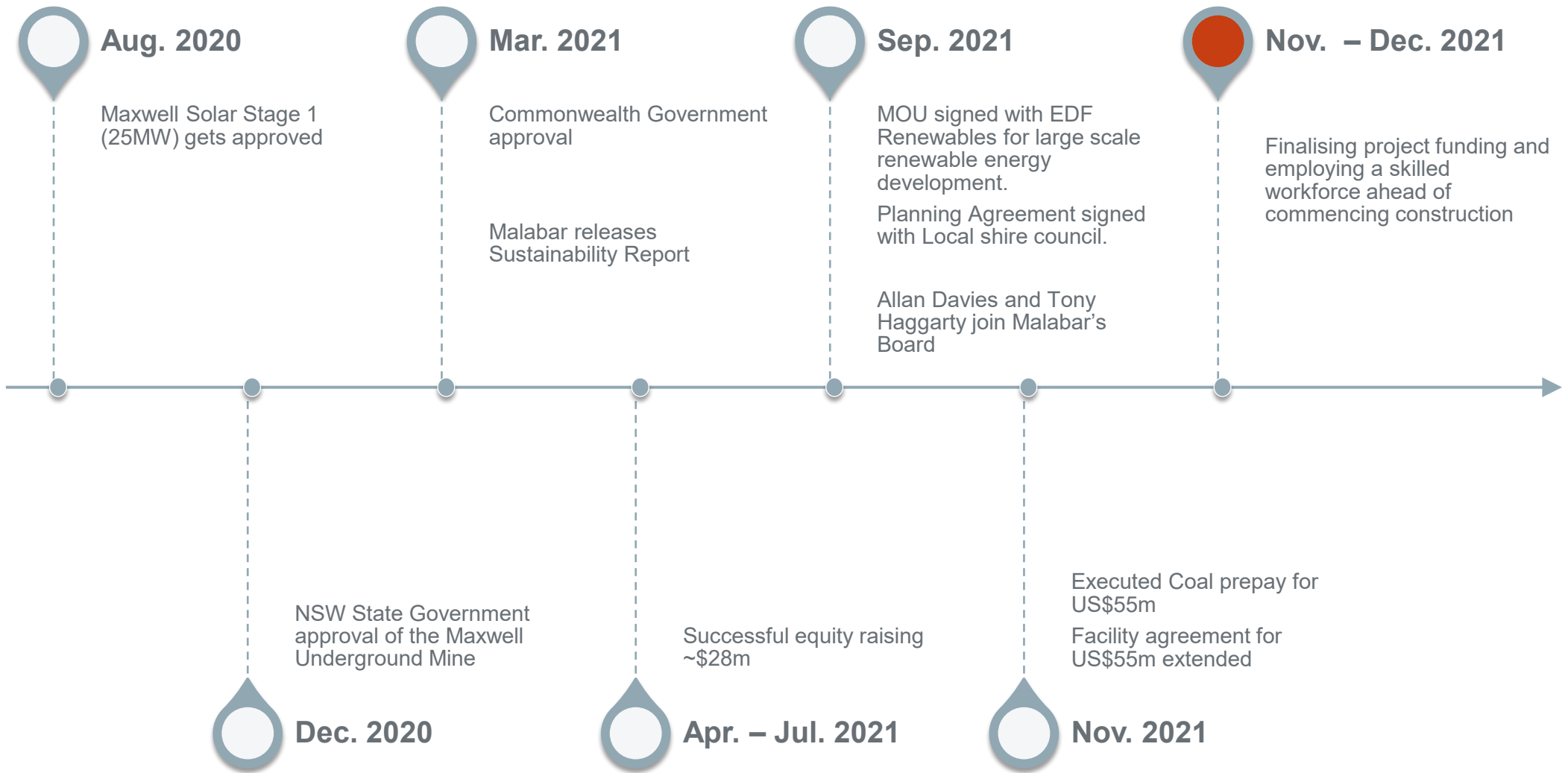
- Employing less intrusive underground mining methods;
- Focusing on metallurgical coal;
- Developing large scale renewable energy; and
- Rehabilitating previously mined areas for sustainable activities including renewables and agriculture.

## Health and Safety

- Malabar is committed to the health and safety of its people and achieving zero harm;
- No notifiable incidents have been recorded to date for the 2021 period;
- Malabar continues to review and adapt their COVID-19 policy and procedure to maintain the safety of our people and minimise disruptions to our operations; and
- No positive cases of COVID-19 have been recorded at our operations to date.



# Year in review



# Market outlook

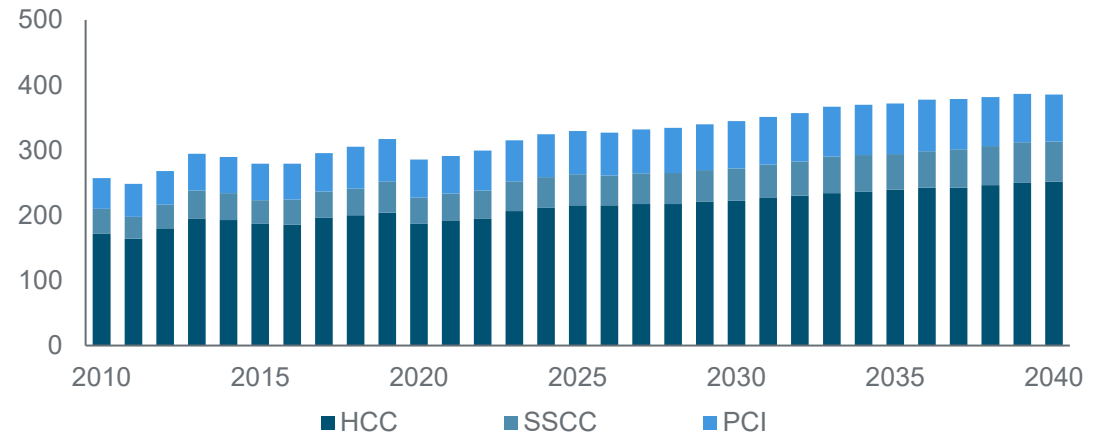
# Increasing demand for seaborne metallurgical coal

- Seaborne metallurgical coal demand is anticipated to increase by around 100 million tonne per year over the next 20 years
- The role of Malabar's metallurgical, Semi-Soft Coking Coal (SSCC) in the global steel value chain is expected to grow as a result of:
  - Increased demand from India due to increasing steel production and increased proportion of SSCC in coke blends (currently 21% increasing to 30% in the long term);
  - Advanced steel making technology favors a greater proportion of SSCC;
  - Cost competitiveness of SSCC;
  - Increased likelihood of permitting delays or permanent stalling of new metallurgical coal and SSCC supply (e.g. recent government policies in Canada); and
  - Reducing CO<sub>2</sub> emissions from BF-BOF<sup>(1)</sup> operations by lowering ash levels in coke blends. Low ash SSCC assists this outcome.

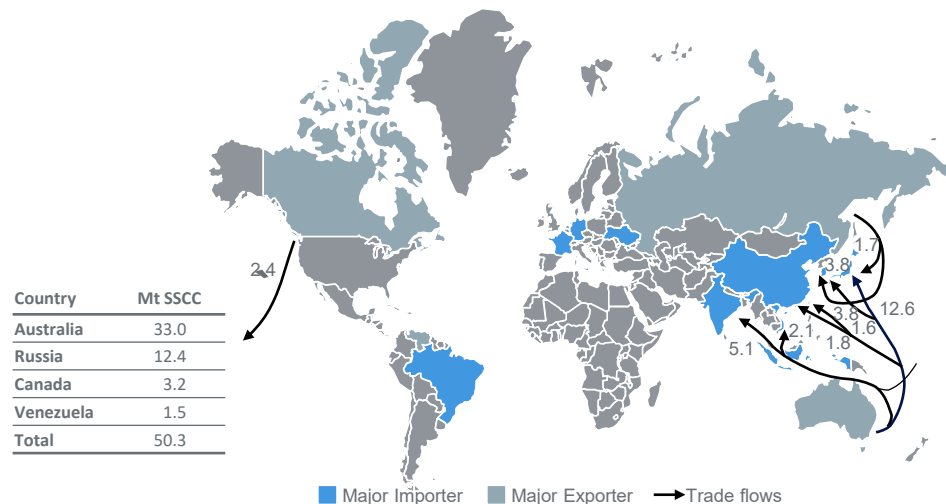
**Australia is expected to remain the leader of the global seaborne metallurgical coal market, with Maxwell placed to service growing demand in the Asian region.**

## Increasing demand for seaborne metallurgical coal over the long-term...

Metallurgical coal demand (Mt)



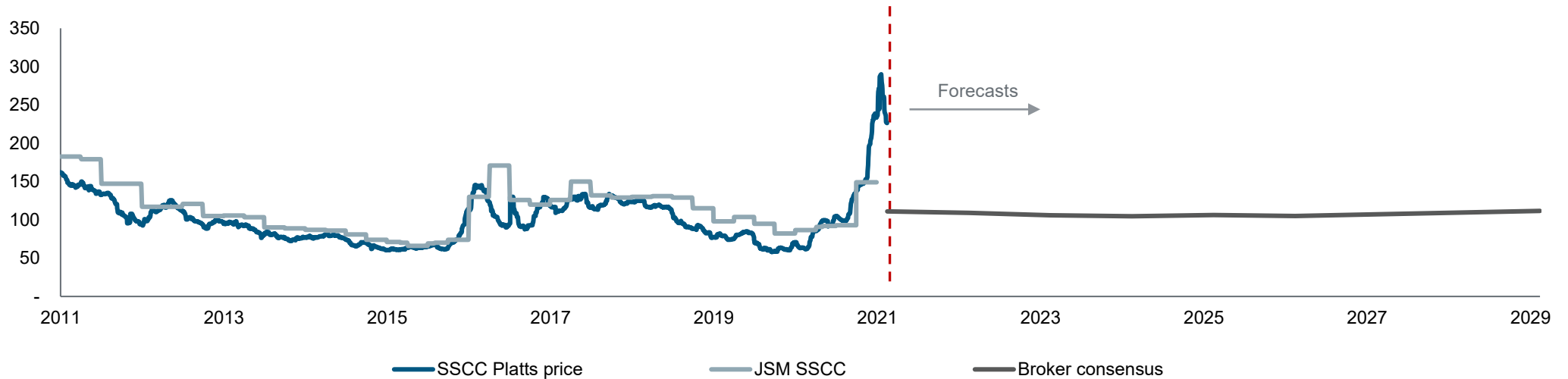
## ...with the majority coming from Australia<sup>(2)</sup>



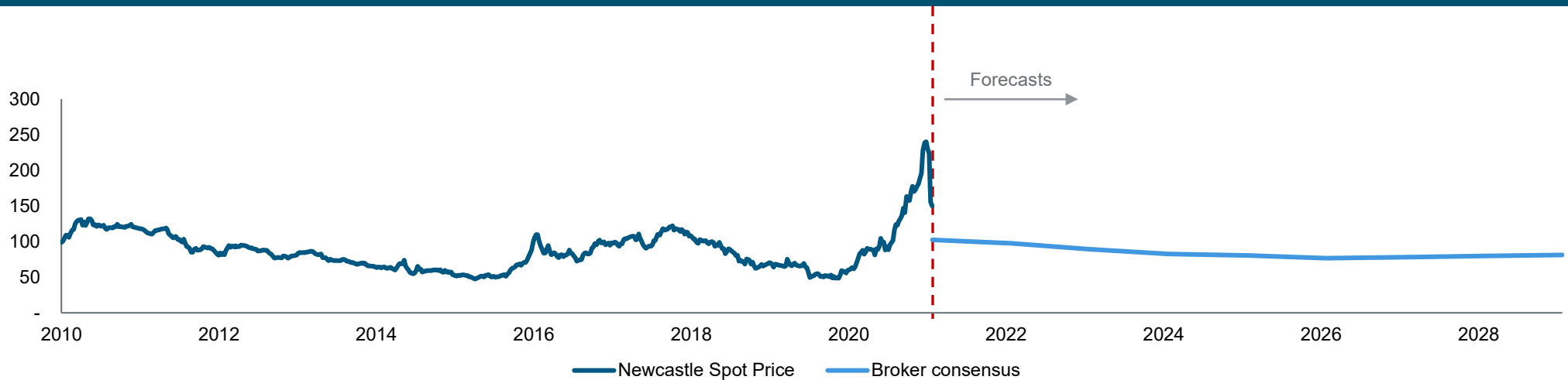


# SSCC expected to have an increasing role in the global steel supply chain

## Historical and forecast SSCC pricing (US\$/t nominal)



## Historical and forecast Thermal pricing (US\$/t nominal)



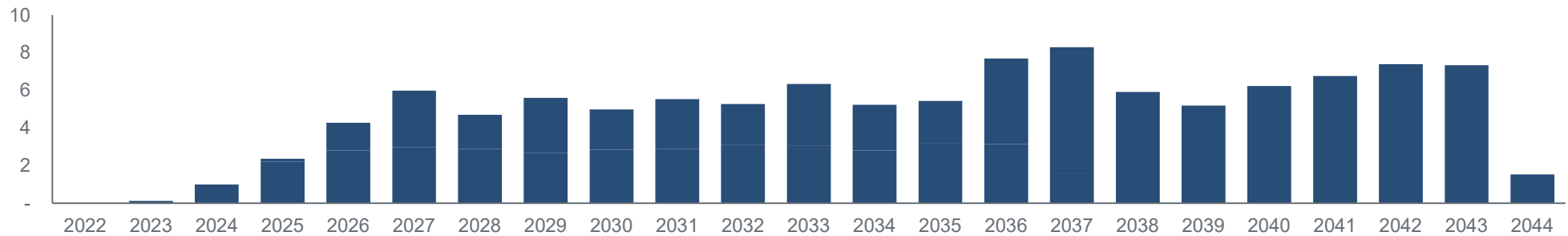
# Maxwell Underground Mine

# Maxwell development

- The Development Consent allows mining of four target coal seams:
  - Woodlands Hill, Arrowfield, Bowfield will be mined by longwall mining methods.
  - Whynot will be mined by continuous mining methods.
- The longwall will be delivered ramped up as shown below.
- The “brownfield” nature of the Maxwell Mine arising from the existing substantial infrastructure de-risks execution and substantially reduces its capital cost.

	Initial sales	Full production after ramp up
<b>Sales</b>	2.5 – 3.0 Mtpa	5.5 – 6.5 Mtpa
<b>Milestones</b>	<ul style="list-style-type: none"> <li>■ Q4/CY2021 u/g development activities commence.</li> <li>■ Q1/CY2024 first long wall commences.</li> <li>■ Q2/CY2025 ramp up to full production</li> </ul>	
<b>Capex</b>	c. A\$400m	

## Sales (Mtpa)



Note: Physicals and financials on a June year-end basis.  
 (1) Shown in real terms.

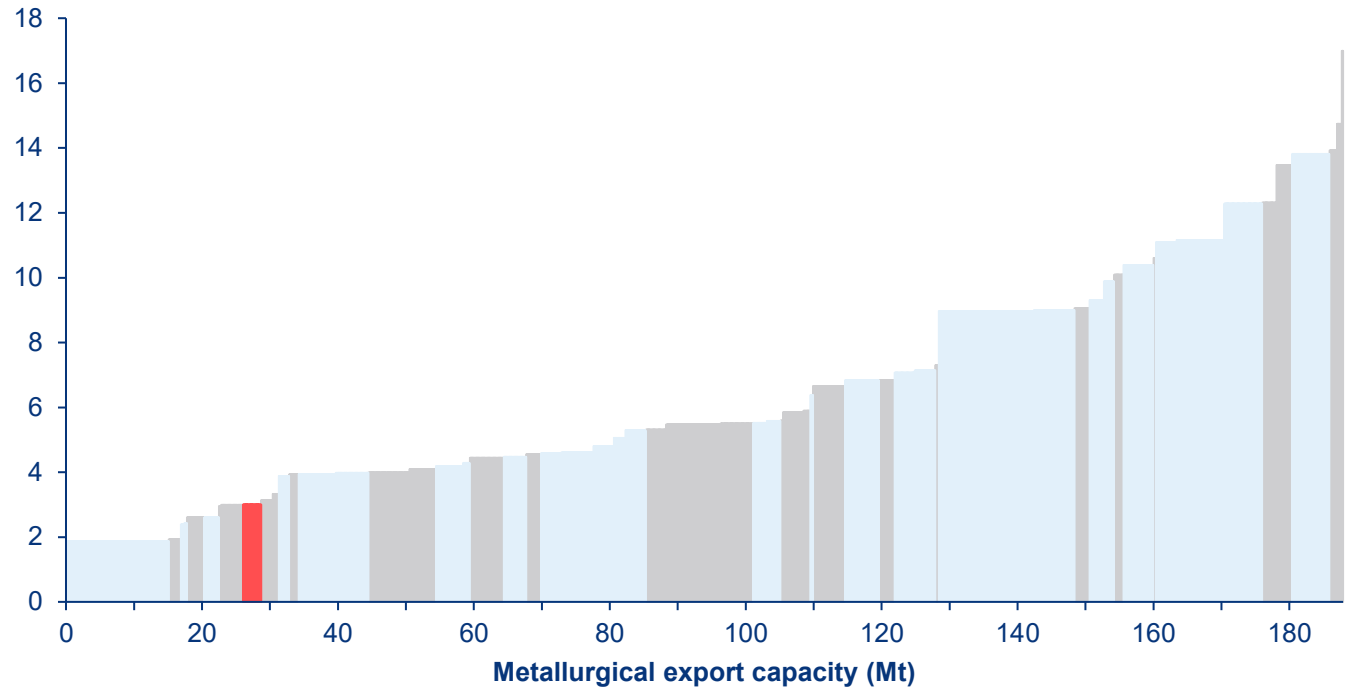
# Low capital intensity by utilising substantial existing infrastructure

Utilising substantial existing surface infrastructure worth ~A\$300m



## Project capital intensity<sup>(1)</sup>

US\$/t produced (LOM)



■ RoW    ■ Other Australia    ■ Maxwell

Existing infrastructure de-risks ramp-up of Malabar's sales



(1) Source: Wood Mackenzie.

# Renewable strategy

# Malabar Renewables

**Malabar is well located to play a significant role in the transition to renewable energy**

## Stage 1: 25MW Solar Farm

- Development Consent received in August 2020.
- Located on 105 ha over rehabilitated open cut mine.
- Will generate enough energy to power c.10,000 homes.

## Stage 2: Large Scale Solar Development

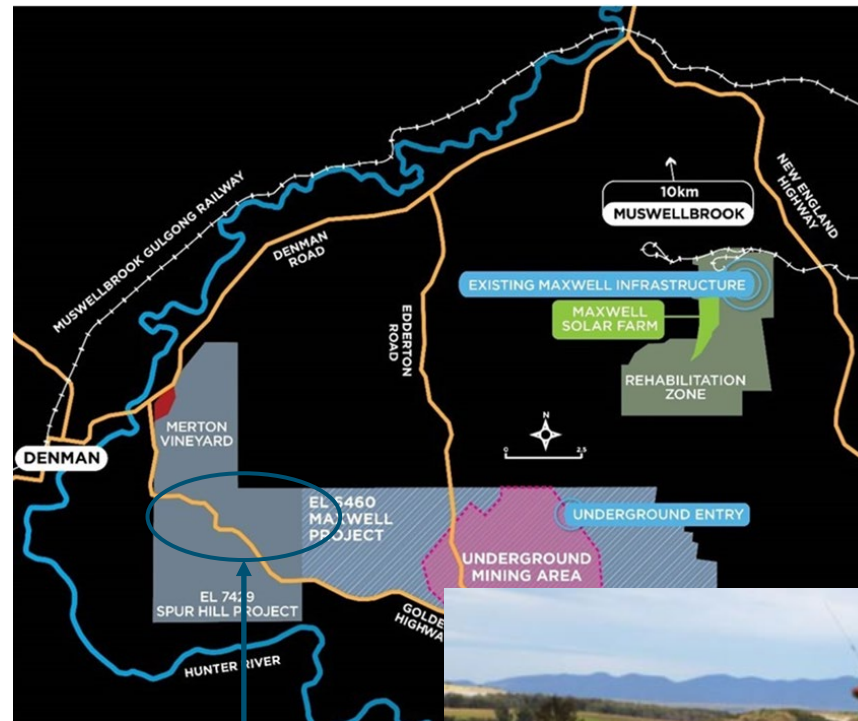
- Malabar's location is ideal for large-scale renewable energy:
  - Proximity to major high voltage network infrastructure provide connection options.
  - Area is in an officially designated NSW "Renewable Energy Zone (REZ)".
- In September 2021, Malabar entered into a MOU with EDF Renewables, a major global energy company, to develop large scale renewable energy projects in the Upper Hunter Valley.
  - EDF has a presence in more than 22 countries and renewable generation portfolio exceeding 15,000MW from solar and wind.



## Other assets and activities

# Spur Hill Underground Project

- Malabar's strategy of developing multiple underground entries feeding a common processing and blending facility at the existing Maxwell Infrastructure is supported by the Spur Hill lease (EL7429).
- Hence the Spur Hill underground project with 626 million tonnes of JORC Resources is important for the future of Malabar.
- EL 7429 renewed in December 2020 for further 5 years.
- We have commenced a seismic program to improve our geological understanding as to how the Maxwell and Spur Hill geological domains integrate.
  - Lines have been arranged to mostly go along existing tracks, down fence lines, or across clearings within paddocks.



Seismic survey zone

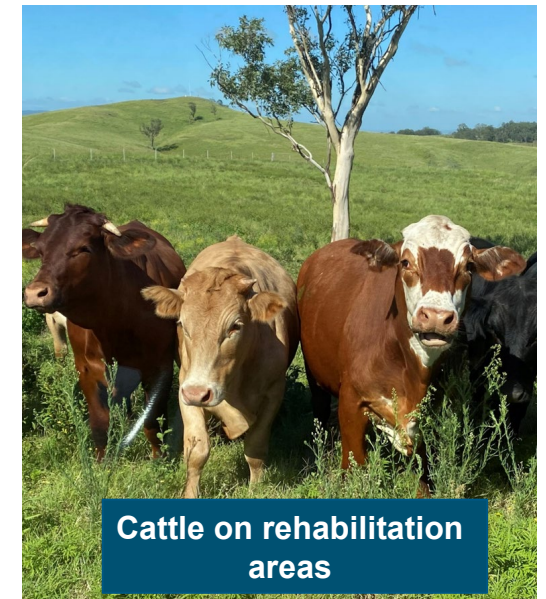
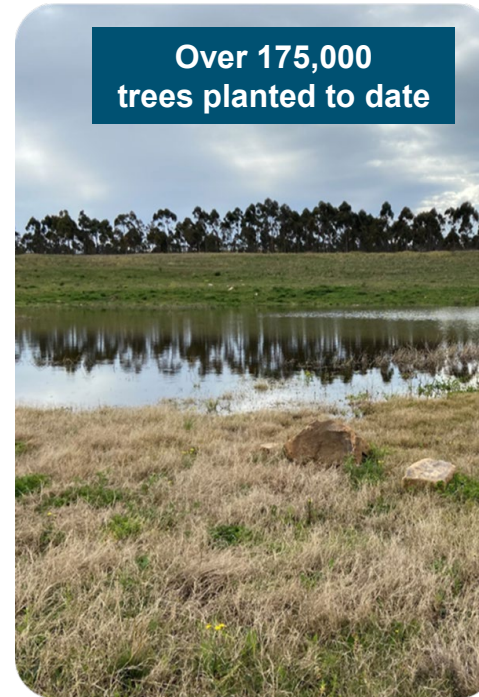


Seismic survey rig



# Rehabilitation & environment

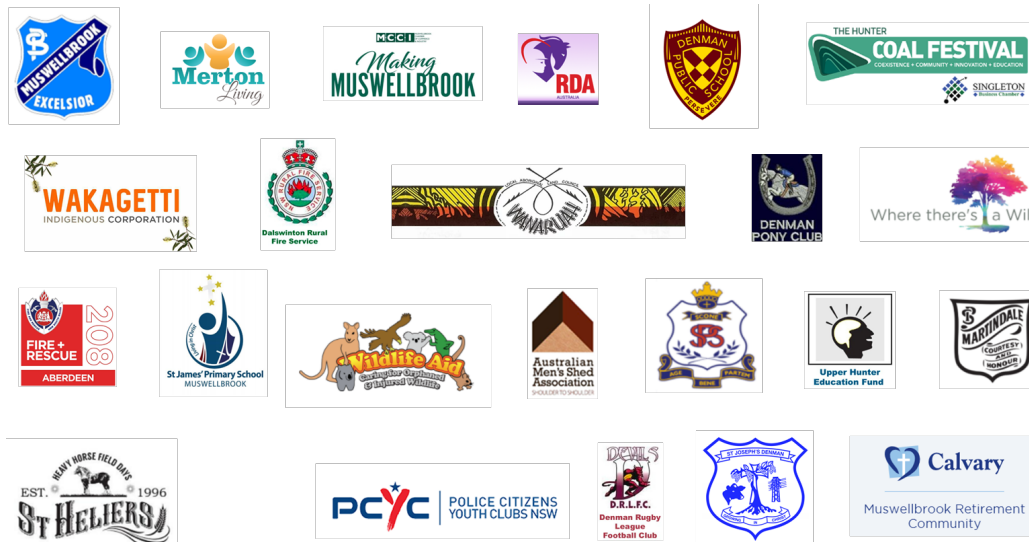
Malabar has made great progress with the rehabilitation of the exhausted open-cut mine acquired in February 2018...



Significant progress and investment in rehabilitation is recognised positively by key stakeholders.

# Malabar is an active member of the local community

- ✓ Malabar executed a Planning Agreement with Muswellbrook Shire Council (MSC) which will generate in excess of \$10 million over the 26-year approval phase. This will support local infrastructure and community services.
- ✓ Maxwell Infrastructure CCC & Spur Hill CCC were amalgamated forming new Maxwell CCC streaming engagement with our community.
- ✓ We engage with our community through direct conversations, newsletters, our CCC, our website, and our on-site team.
- ✓ Over \$550,000 has been donated to the community to date, providing targeted donations to education, aged care, community organisations and local sporting clubs in need.
- ✓ We support local employment and businesses.



*".....We have been able to provide young first nations people with employment opportunities because of the support from Malabar. Malabar gave our trainees and employees access to country to teach our people about the native plants and bush tucker around the site, this is significant to our people as it also has some significant sites so we can teach how to identify artefacts and plant species, without their support this could not happen..."*

Mark Bowditch a Wiradjuri and Wonnarua man and the Co-ordinator of a young Hunter Aboriginal trainee team in the Hunter Valley.

# Finance

# Financing

- Funding providers targeted to assess project finance, coal prepays; sale and leaseback opportunities and other funding strategies
  - Executed a long-term coal prepay and offtake agreement in November 2021
  - Executed an extension of existing bank guarantee facility to cover bonding requirements

## Funds raised to date

- \$28m in cash at 30 September 2021
- Additional equity to be raised via exercise of options

# Highlights

1

Board and management have extensive successful track records of developing and operating underground coal mines.

2

Industry leading focus on energy transition.

3

Large, high quality JORC Reserve underpinning 25+ year mine life.

4

High quality, well understood metallurgical product to be delivered to premium Asian steel mills.

5

Semi-Soft Coking Coal (SSCC) expected to have an increasing role in the global steel seaborne supply chain.

6

Low capital intensity utilizing substantial existing infrastructure.

7

Lowest quartile cost underpins strong operating margins.



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Questions ?

**End of presentation**